

NCA
VOC FOR IOP/FN
BACKGROUNDER NO. 5-5701
BUI TUAN

APRIL 7, 1978

INDONESIA: THE SUHARTO CONTINUUM

ANNCR:

INDONESIA -- THE WORLD'S FIFTH MOST POPULOUS NATION -- HAS CHOSEN TO CONTINUE TO FOLLOW PRESIDENT SUHARTO'S ROAD TO NATIONAL DEVELOPMENT...AS WE HEAR IN THIS BACKGROUND REPORT BY VOA'S BUI TUAN.

VOICE:

PRESIDENT SUHARTO HAS BEGUN HIS THIRD FIVE-YEAR TERM AS INDONESIA'S CHIEF EXECUTIVE. HE ASSUMED THE REIGNS OF GOVERNMENT IN MARCH OF 1966, WHEN AS ARMY CHIEF OF STAFF HE WAS ASKED TO TAKE OVER FROM THE LATE PRESIDENT SUKARNO. THE INDONESIAN CONGRESS, IN ELECTING MR. SUKARNO TO THE PRESIDENCY, ALSO APPROVED A NATIONAL PROGRAM CALLING FOR STABILITY, ECONOMIC GROWTH AND REDISTRIBUTION OF INCOME.

IN HIS REPORT TO THE CONGRESS, PRESIDENT SUHARTO ANNOUNCED THAT HIS GOVERNMENT WAS WORKING ON MEASURES TO PAVE THE WAY FOR THE RESTORATION OF DIPLOMATIC RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA. BUT, AT THE SAME TIME, HE CALLED UPON THE INDONESIAN PEOPLE TO HEIGHTEN THEIR VIGILANCE IN THE LIGHT OF WHAT HE TERMED THE "BITTER EXPERIENCES" OF THE PAST. MR. SUHARTO WAS REFERRING TO THE BLOODY ABORTIVE COUP STAGED IN SEPTEMBER 1965 BY THE PRO-PEKING INDONESIAN COMMUNIST PARTY, WHICH CLAIMED THE LIVES OF HUNDREDS OF THOUSANDS OF INDONESIANS. SOME THREE HUNDRED THOUSAND PEOPLE WERE JAILED FOLLOWING THE COUP ATTEMPT. MOST HAVE BEEN FREED SINCE THEN, INCLUDING TEN THOUSAND LAST YEAR. AND ANOTHER TEN THOUSAND WILL BE RELEASED THIS YEAR.

THERE'S NO QUESTION THAT PRESIDENT SUHARTO AND HIS GOVERNMENT FACE MANY FORMIDABLE PROBLEMS, INCLUDING A POPULATION

GROWTH OF THREE MILLION PEOPLE A YEAR, THE CREATION OF NEW JOBS, AND THE GAP BETWEEN THE RICH URBAN ELITE AND THE POOR RURAL MASSES. BUT, IN HIS SPEECH TO THE CONGRESS, THE INDONESIAN LEADER EMPHASIZED THE SUCCESS IN HIS PROGRAM OF NATIONAL DEVELOPMENT. HE NOTED THAT THE INFLATION RATE, WHEN HE TOOK OFFICE, WAS RUNNING AT THE RATE OF 650 PERCENT A YEAR. IT WAS REDUCED BY THE END OF HIS FIRST TERM TO 47 PERCENT. AND MR. SUHARTO PREDICTED THAT THE INFLATION RATE FOR THE NEXT FISCAL YEAR WOULD BE SUSTAINED AT THE CURRENT RATE OF 10 PERCENT. INDONESIA'S EXPORT EARNINGS, HE OBSERVED, AMOUNTED TO ONLY FIVE HUNDRED MILLION DOLLARS IN 1965. IN CONTRAST, HE SAID, INDONESIA'S EXPORT EARNINGS THIS YEAR WILL TOTAL MORE THAN EIGHT THOUSAND MILLION DOLLARS IN VALUE.

PRESIDENT SUHARTO ALSO SOUGHT TO DISPEL CRITICISM THAT HIS GOVERNMENT HAS TOLERATED CORRUPTION AT THE HIGHEST LEVELS. LAST YEAR, A CAMPAIGN KNOWN AS "OPERATION ORDER" WAS LAUNCHED. THE PRESIDENT NOTED THAT DURING THE FIRST MONTH OF THE CAMPAIGN, MORE THAN 1,200 ALLEGED CORRUPTION CASES WERE INVESTIGATED INVOLVING MORE THAN 2,000 GOVERNMENT EMPLOYEES AND OFFICIALS.

ON THE QUESTION OF HUMAN RIGHTS, MR. SUHARTO SAID THAT DIFFERENCES OF OPINION WITH THE GOVERNMENT ARE WELCOME. HOWEVER, HE ADDED, THEY SHOULD BE EXPRESSED THROUGH PROPER CHANNELS AND IN KEEPING WITH BOTH THE LAW AND WHAT HE CALLED "NATIONAL REALITIES."

JS/RCS